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Farm Service Agency

U.S. DEPARTMENT OF AGRICULTURE

Low Interest Loans Available for Storage Facilities, Handling Equipment, Trucks, and More

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FSA Now Taking Farm Storage Facility Loan Applications

SAINT PAUL, MN, November 12, 2020 — FSA’s Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

“One of the greatest advantages for operations utilizing the FSFL program is the wide variety of projects that it can support. Loans have been approved for projects including; cold storage for fruit and vegetables, bulk tanks for dairy, dryers and propane tanks for grain, skid steers for handling, semi-trucks, trailers, and more” said Joe Martin, State Executive Director (SED).

Since its inception in May 2000, more than 33,000 loans have been issued for on-farm storage in Minnesota, increasing storage capacity by 900 million bushels. FSFL is an excellent financing program for on-farm commodity storage and handling for small and mid-sized farms, and for new farmers. Loan terms vary from three to 12 years. The maximum loan amount for storage facilities is \$500,000.

Commodities eligible for an FSFL include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Acceptable storage facilities include but aren’t limited to grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement while loans exceeding \$100,000 require additional security. Loans require a minimum down payment of 15 percent. FSA also

provides a microloan option eligible to all farmers and ranchers where there is a need for financing options for loans up to \$50,000 with a minimum down payment of 5 percent.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

Current low interest rates are particularly valuable to a broad range of Minnesota farm operations. The interest rate for a FSFL loan is determined based on the approval date of the loan.

Interest rates for Farm Storage Facility Loans approved for November are as follows:

- 0.125 percent with three-year loan terms,
- 0.250 percent with five-year loan terms,
- 0.500 percent with seven-year loan terms,
- 0.750 percent with 10-year loan terms,
- 0.875 percent with 12-year loan terms,

For many of Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. This includes the FSFL program. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit farmers.gov/service-center-locator.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with FSA, Natural Resources Conservation Service, or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are also required to wear a face covering during their appointment. Our program delivery staff will be in the office, and they will be working with our producers in the office, by phone, and using online tools. More information can be found at farmers.gov/coronavirus.

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